Andhra Pradesh Budget Analysis 2023-24

The Finance Minister of Andhra Pradesh, Mr. Buggana Rajendranath, presented the Budget for the state for the financial year 2023-24 on March 16, 2023.

Budget Highlights

- **The Gross State Domestic Product (GSDP)** of Andhra Pradesh for 2023-24 (at current prices) is projected to be Rs 14,49,501 crore, amounting to growth of 10% over 2022-23.
- **Expenditure (excluding debt repayment)** in 2023-24 is estimated to be Rs 2,60,868 crore, an increase of 16% over the revised estimates of 2022-23. In addition, debt of Rs 18,411 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2023-24 are estimated to be Rs 2,06,280 crore, an increase of 17% as compared to the revised estimate of 2022-23. In 2022-23, receipts (excluding borrowings) are estimated to decrease by 7.7% at the revised stage.
- **Revenue deficit** in 2023-24 is estimated to be 1.5% of GSDP (Rs 22,317 crore), lower than the revised estimates for 2022-23 (2.2% of GSDP). In 2022-23, the revenue deficit is expected to be higher than the budget estimate (1.3% of GSDP).
- **Fiscal deficit** for 2023-24 is targeted at 3.8% of GSDP (Rs 54,588 crore). In 2022-23, as per the revised estimates, fiscal deficit is expected to be 3.6% of GSDP, same as the budget estimates for the year.

Policy Highlights

- **Loan waiver scheme**: The YSR Aasara scheme for waiving outstanding bank loans of women self-help groups was launched in 2020. Rs 6,700 crore has been allocated towards the scheme in 2023-24.
- **Urban Development and Housing**: Rs 9,381 crore will be allocated towards municipal administration and urban development department in 2023-24. Under the Pedalandariki Illu Scheme, 30.21 lakh permanent houses will be provided by 2023, of which 4.4 lakh have been constructed so far. Rs 5,600 crore has been allocated towards this scheme in 2023-24.
- **Livestock insurance**: The YSR Pasu Bhima Yojana has been approved which seeks to provide livestock insurance to farmers. It will cover improved and indigenous as well as nondescript breeds of animals.
- **Pension**: The government seeks to increase the pension for various categories of pensioners in the state to Rs 3,000 in the coming years. It has allocated Rs 21,434 crore towards YSR Pension Kanuka in 2023-24.

Andhra Pradesh’s Economy

- **GSDP**: In 2022-23, Andhra Pradesh’s GSDP (at constant prices) is estimated to grow at 7%, same as the national GDP in 2022-23.
- **Sectors**: In 2022-23, services sector grew at 10% over a low base (see Figure 1). Manufacturing and agriculture sector grew at 5% each. In 2022-23, agriculture, manufacturing and services sectors are estimated to contribute 39%, 21%, and 40% to the economy, respectively (at current prices).
- **Per capita GSDP**: The per capita GSDP of Andhra Pradesh in 2021-22 (at current prices) is estimated at Rs 2,19,518.

![Figure 1: Andhra Pradesh GSDP and Sectoral Growth at Constant Prices (2011-12)](image)

Note: These figures are at constant prices (2011-12) which means the growth rate has been adjusted for inflation. Sources: Economic Survey of Andhra Pradesh 2022-23; PRS.
Budget Estimates for 2023-24

- **Total expenditure (excluding debt repayment)** in 2023-24 is targeted at Rs 2,60,868 crore. This is an increase of 16.3% over the revised estimate of 2022-23. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 2,06,280 crore and net borrowings of Rs 53,611 crore. Total receipts for 2023-24 (other than borrowings) are expected to register an increase of 16.9% over the revised estimate of 2022-23.

- **Revenue deficit** in 2023-24 is estimated to be 1.5% of GSDP (Rs 22,317 crore), lower than the revised estimates for 2022-23 (2.2% of GSDP). **Fiscal deficit** for 2023-24 is targeted at 3.8% of GSDP (Rs 54,588 crore), higher than the revised estimates for 2022-23 (3.6% of GSDP).

### Table 1: Budget 2023-24 - Key figures (in Rs crore)

<table>
<thead>
<tr>
<th>Items</th>
<th>2021-22 Actuals</th>
<th>2022-23 Budgeted</th>
<th>2022-23 Revised</th>
<th>% change from BE 2022-23 to RE 2022-23</th>
<th>2023-24 Budgeted</th>
<th>% change from RE 2022-23 to BE 2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditure</td>
<td>1,91,594</td>
<td>2,56,257</td>
<td>2,40,509</td>
<td>-6.1%</td>
<td>2,79,279</td>
<td>16.1%</td>
</tr>
<tr>
<td>(-) Repayment of debt</td>
<td>13,920</td>
<td>16,270</td>
<td>16,291</td>
<td>0.1%</td>
<td>18,411</td>
<td>13.0%</td>
</tr>
<tr>
<td>Net Expenditure (E)</td>
<td>1,77,674</td>
<td>2,39,986</td>
<td>2,24,219</td>
<td>-6.6%</td>
<td>2,60,868</td>
<td>16.3%</td>
</tr>
<tr>
<td>Total Receipts</td>
<td>2,05,946</td>
<td>2,56,078</td>
<td>2,41,480</td>
<td>-5.7%</td>
<td>2,78,302</td>
<td>15.2%</td>
</tr>
<tr>
<td>(-) Borrowings</td>
<td>53,284</td>
<td>64,816</td>
<td>64,978</td>
<td>0.2%</td>
<td>72,022</td>
<td>10.8%</td>
</tr>
<tr>
<td>Net Receipts (R)</td>
<td>1,52,662</td>
<td>1,91,262</td>
<td>1,76,502</td>
<td>-7.7%</td>
<td>2,06,280</td>
<td>16.9%</td>
</tr>
<tr>
<td>Fiscal Deficit (E-R)</td>
<td>25,013</td>
<td>48,724</td>
<td>47,717</td>
<td>-2.1%</td>
<td>54,588</td>
<td>14.4%</td>
</tr>
<tr>
<td>as % of GSDP</td>
<td>2.1%</td>
<td>3.6%</td>
<td>3.6%</td>
<td></td>
<td>3.8%</td>
<td></td>
</tr>
<tr>
<td>Revenue Deficit</td>
<td>8,611</td>
<td>17,036</td>
<td>29,108</td>
<td>70.9%</td>
<td>22,317</td>
<td>-23.3%</td>
</tr>
<tr>
<td>as % of GSDP</td>
<td>0.7%</td>
<td>1.3%</td>
<td>2.2%</td>
<td></td>
<td>1.5%</td>
<td></td>
</tr>
<tr>
<td>Primary Deficit</td>
<td>2,847</td>
<td>27,384</td>
<td>22,429</td>
<td>-18.1%</td>
<td>25,914</td>
<td>15.5%</td>
</tr>
<tr>
<td>as % of GSDP</td>
<td>0.2%</td>
<td>2.0%</td>
<td>1.7%</td>
<td></td>
<td>1.8%</td>
<td></td>
</tr>
</tbody>
</table>

Note: BE is Budget Estimates; RE is Revised Estimates.
Sources: Annual Financial Statement, Andhra Pradesh Budget 2023-24; PRS.

### Expenditure in 2023-24

- **Revenue expenditure** for 2023-24 is proposed to be Rs 2,28,541 crore, an increase of 11% over the revised estimate of 2022-23. This includes the expenditure on salaries, pensions, interest, grants, and subsidies.

- **Capital outlay** for 2023-24 is proposed to be Rs 31,061 crore, an increase of 84% over the revised estimate of 2022-23. Capital outlay indicates the expenditure towards creation of assets. In 2022-23, capital outlay was 45% lower than the budget estimates for the year (Rs 30,680 crore).

#### Estimation of capital outlay

A trend of overestimation in capital outlay and significant reduction in actual expenditure has been observed over the years. Expenditure on capital outlay typically reduces when lower revenue is realised. This is because revenue expenditure such as expenditure on pension and interest payment cannot be reduced in the short term. In 2023-24, 24% of estimated revenue receipts will be spent on pension and interest.

#### Figure 2: Decrease in actual capital outlay in comparison with the budgeted estimate (in percentage)

<table>
<thead>
<tr>
<th>Year</th>
<th>% Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>-80%</td>
</tr>
<tr>
<td>2018-19</td>
<td>-60%</td>
</tr>
<tr>
<td>2019-20</td>
<td>-40%</td>
</tr>
<tr>
<td>2020-21</td>
<td>-20%</td>
</tr>
<tr>
<td>2021-22</td>
<td>+39%</td>
</tr>
<tr>
<td>2022-23</td>
<td>+45%</td>
</tr>
</tbody>
</table>

Sources: Andhra Pradesh budget documents for various years; Reserve Bank of India; PRS.

### Table 2: Expenditure budget 2023-24 (in Rs crore)

<table>
<thead>
<tr>
<th>Items</th>
<th>2021-22 Actuals</th>
<th>2022-23 Budgeted</th>
<th>2022-23 Revised</th>
<th>% change from BE 2022-23 to RE 2022-23</th>
<th>2023-24 Budgeted</th>
<th>% change from RE 2022-23 to BE 2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Expenditure</td>
<td>1,59,163</td>
<td>2,08,261</td>
<td>2,05,556</td>
<td>-1%</td>
<td>2,28,541</td>
<td>11%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>16,373</td>
<td>30,680</td>
<td>16,847</td>
<td>-45%</td>
<td>31,061</td>
<td>84%</td>
</tr>
<tr>
<td>Loans given by the state</td>
<td>2,138</td>
<td>1,046</td>
<td>1,816</td>
<td>74%</td>
<td>1,266</td>
<td>-30%</td>
</tr>
<tr>
<td>Net Expenditure</td>
<td>1,77,674</td>
<td>2,39,986</td>
<td>2,24,219</td>
<td>-7%</td>
<td>2,60,868</td>
<td>16%</td>
</tr>
</tbody>
</table>

Sources: Annual Financial Statement, Andhra Pradesh Budget 2023-24; PRS.

March 24, 2023 - 2 -
**Committed expenditure:** Committed expenditure of a state typically includes expenditure on payment of salaries, pensions, and interest. A larger proportion of budget allocated for committed expenditure items limits the state’s flexibility to decide on other expenditure priorities such as capital outlay. In 2023-24, Andhra Pradesh is estimated to spend Rs 49,840 crore on committed expenditure, which is 24% of its estimated revenue receipts. This comprises spending on pension (10%), and interest payments (14%). Note that this figure does not include the expenditure on salaries (which is not available). In 2022-23, 26% of revenue receipts were spent towards committed expenditure (exclusive of salaries), lower than the 28% in 2021-22.

**Table 3: Committed Expenditure in 2023-24 (in Rs crore)**

<table>
<thead>
<tr>
<th>Committed Expenditure</th>
<th>2021-22 Actuals</th>
<th>2022-23 Budgeted</th>
<th>2022-23 Revised</th>
<th>% change from BE 2022-23 to RE 2022-23</th>
<th>2023-24 Budgeted</th>
<th>% change from RE 2022-23 to BE 2023-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>-</td>
<td>NA</td>
<td>-</td>
</tr>
<tr>
<td>Pension</td>
<td>20,327</td>
<td>17,267</td>
<td>20,697</td>
<td>20%</td>
<td>21,166</td>
<td>2%</td>
</tr>
<tr>
<td>Interest</td>
<td>22,165</td>
<td>21,340</td>
<td>25,288</td>
<td>19%</td>
<td>28,674</td>
<td>13%</td>
</tr>
<tr>
<td>Committed Expenditure</td>
<td>42,492</td>
<td>38,607</td>
<td>45,986</td>
<td>19%</td>
<td>49,840</td>
<td>8%</td>
</tr>
</tbody>
</table>

Sources: Annual Financial Statement, Andhra Pradesh Budget 2023-24; PRS.

**Sector-wise expenditure:** The sectors listed below account for 68% of the total expenditure on sectors by the state in 2023-24. A comparison of Andhra Pradesh’s expenditure on key sectors with that by other states is shown in Annexure 1.

**Table 4: Sector-wise expenditure under Andhra Pradesh Budget 2023-24 (in Rs crore)**

|---------------------------------------------|-----------------|------------------|-----------------|-----------------|------------------------------------|----------------------------------------------------------------------------------|
| Welfare of SC, ST, OBC, and Minorities      | 22,325          | 45,927           | 42,436          | 51,292          | 21%                                | • Rs 4,360 crore has been allocated towards Andhra Pradesh Scheduled Castes Corporations.  
• Rs 1,051 crore has been allocated towards the Andhra Pradesh Scheduled Tribes Co-operative Finance Corporation. |
| Education, Sports, Arts, and Culture       | 25,796          | 30,385           | 28,351          | 32,658          | 15%                                | • Teaching grants worth Rs 8,884 crore will be provided to Mandal Praja Parishads. |
| Health and Family Welfare                  | 11,271          | 15,707           | 13,424          | 16,207          | 21%                                | • Rs 1,162 crore have been allocated towards primary health centres.            |
| Rural Development                          | 9,917           | 16,040           | 11,872          | 16,159          | 36%                                | • MGNREGS will be provided Rs 5,115 crore.                                     |
| Agriculture and Allied Activities          | 8,033           | 13,640           | 12,173          | 13,961          | 15%                                | • Rs 4,020 crore will be provided for YSR Rythu Bharosa.                        |
| Social Welfare and Nutrition               | 6,979           | 10,976           | 9,195           | 11,230          | 22%                                | • Under YSR Sampoorana Poshana Rs 1,073 crore will be provided.                  |
| Irrigation and Flood Control               | 7,027           | 10,541           | 9,805           | 10,969          | 12%                                | • Rs 5,415 crore has been allocated towards the Polavaram Project.              |
| Urban Development                          | 4,821           | 8,495            | 7,168           | 8,996           | 26%                                | • The Smart Cities Mission will be provided with Rs 450 crore.                   |
| Transport                                  | 4,663           | 8,597            | 5,171           | 8,679           | 68%                                | • Rs 3,357 crore has been allocated towards capital outlay on roads and bridges. |
| Police                                     | 5,940           | 7,034            | 6,458           | 7,631           | 18%                                | • Rs 4,216 crore will be provided for the district police force.                |
| % of total expenditure on all sectors      | 61%             | 70%              | 66%             | 68%             | 4%                                 |                                                                                  |

Sources: Annual Financial Statement, Andhra Pradesh Budget 2023-24; PRS.
Receipts in 2023-24

- **Total revenue receipts** for 2023-24 are estimated to be Rs 2,06,224 crore, an increase of 17% over the revised estimate of 2022-23. Of this, Rs 1,17,999 crore (57%) will be raised by the state through its own resources, and Rs 88,225 crore (43%) will come from the centre. Resources from the centre will be in the form of state’s share in central taxes (20% of revenue receipts) and grants (23% of revenue receipts).

- **Devolution:** In 2023-24, state’s share in central taxes is estimated at Rs 41,391 crore, an increase of 8% over the revised estimate of 2022-23.

- **Grants from the centre** in 2023-24 is estimated at Rs 46,835 crore. In 2022-23, grants received from the centre are expected to be 15% lower than the budgeted amount.

- **State’s own tax revenue:** Andhra Pradesh’s total own tax revenue is estimated to be Rs 1,02,599 crore in 2023-24, an increase of 22% over the revised estimate of 2022-23. Own tax revenue as a percentage of GSDP is estimated at 7% in 2023-24, higher than the revised estimates for 2022-23 (6.4%). As per the actual figures for 2021-22, own tax revenue as a percentage of GSDP was 5.9%.

Table 5: Break-up of the state government’s receipts (in Rs crore)

<table>
<thead>
<tr>
<th>Items</th>
<th>2021-22 Actuals</th>
<th>2022-23 Budgeted</th>
<th>2022-23 Revised</th>
<th>% change from BE 22-23 to RE 22-23</th>
<th>2023-24 Budgeted</th>
<th>% change from RE 22-23 to BE 23-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>State's Own Tax</td>
<td>70,979</td>
<td>91,018</td>
<td>84,343</td>
<td>-7%</td>
<td>1,02,599</td>
<td>22%</td>
</tr>
<tr>
<td>State's Own Non-Tax</td>
<td>5,018</td>
<td>11,093</td>
<td>6,511</td>
<td>-41%</td>
<td>15,400</td>
<td>137%</td>
</tr>
<tr>
<td>Share in Central Taxes</td>
<td>35,386</td>
<td>33,082</td>
<td>38,223</td>
<td>16%</td>
<td>41,391</td>
<td>8%</td>
</tr>
<tr>
<td>Grants from Centre</td>
<td>39,170</td>
<td>56,033</td>
<td>47,371</td>
<td>-15%</td>
<td>46,835</td>
<td>-1%</td>
</tr>
<tr>
<td>Revenue Receipts</td>
<td>1,50,552</td>
<td>1,91,225</td>
<td>1,76,448</td>
<td>-8%</td>
<td>2,06,224</td>
<td>17%</td>
</tr>
<tr>
<td>Non-debt Capital Receipts</td>
<td>2,109</td>
<td>37</td>
<td>54</td>
<td>44%</td>
<td>56</td>
<td>5%</td>
</tr>
<tr>
<td>Net Receipts</td>
<td>1,52,662</td>
<td>1,91,262</td>
<td>1,76,502</td>
<td>-8%</td>
<td>2,06,280</td>
<td>17%</td>
</tr>
</tbody>
</table>

BE is Budget Estimates; RE is Revised Estimates. Sources: Annual Financial Statement, Andhra Pradesh Budget 2023-24; PRS.

- In 2023-24, **State GST** is estimated to be the largest source of own tax revenue (33% share). State GST revenue is estimated to increase by 17% over the revised estimates of 2022-23.

- **Sales Tax/VAT** account for 25% of own tax revenue. Revenue from sales tax/VAT is expected to increase by 26% in 2023-24. However, at the revised stage, this revenue is estimated to be 29% lower than the budget estimates.

Non-tax revenue

In 2023-24, Andhra Pradesh estimates to earn Rs 15,400 crore from non-tax revenue. In 2022-23, non-tax revenue was Rs 6,511 crore at the revised stage, 41% lower than the budgeted estimate.

An increase in non-tax revenue may be on account of increase in receipts from mining royalty. Royalty on major minerals is estimated to be Rs 2,144 crore, which is about three times the revised estimates of 2022-23. However, receipts from mining royalty reduced by 48% in 2022-23 as compared to the budgeted estimates of 2022-23.

Table 6: Major sources of state's own tax revenue (in Rs crore)

<table>
<thead>
<tr>
<th>Head</th>
<th>2021-22 Actuals</th>
<th>2022-23 Budgeted</th>
<th>2022-23 Revised</th>
<th>% change from BE 22-23 to RE 22-23</th>
<th>2023-24 Budgeted</th>
<th>% change from RE 22-23 to BE 23-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>State GST</td>
<td>23,809</td>
<td>29,025</td>
<td>29,200</td>
<td>1%</td>
<td>34,249</td>
<td>17%</td>
</tr>
<tr>
<td>Sales Tax/ VAT</td>
<td>20,808</td>
<td>28,481</td>
<td>20,096</td>
<td>-29%</td>
<td>25,402</td>
<td>26%</td>
</tr>
<tr>
<td>Stamps Duty and Registration Fees</td>
<td>7,635</td>
<td>9,500</td>
<td>9,000</td>
<td>-5%</td>
<td>12,000</td>
<td>33%</td>
</tr>
<tr>
<td>Taxes on Vehicles</td>
<td>3,433</td>
<td>6,000</td>
<td>5,124</td>
<td>-15%</td>
<td>7,000</td>
<td>37%</td>
</tr>
<tr>
<td>State Excise</td>
<td>14,703</td>
<td>16,500</td>
<td>16,167</td>
<td>-2%</td>
<td>18,000</td>
<td>11%</td>
</tr>
<tr>
<td>Land Revenue</td>
<td>50</td>
<td>48</td>
<td>60</td>
<td>25%</td>
<td>58</td>
<td>4%</td>
</tr>
<tr>
<td>Taxes and Duties on Electricity</td>
<td>12</td>
<td>1,011</td>
<td>4,095</td>
<td>305%</td>
<td>5,096</td>
<td>24%</td>
</tr>
<tr>
<td>GST Compensation Grants</td>
<td>3,117</td>
<td>3,800</td>
<td>4,600</td>
<td>21%</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>GST Compensation Loans</td>
<td>3,272</td>
<td>2,500</td>
<td>0</td>
<td></td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Annual Financial Statement, Revenue Budget, and Andhra Pradesh Budget 2023-24; PRS.
Deficits, Debt, and FRBM Targets for 2023-24

The Andhra Pradesh Fiscal Responsibility Act, 2005 provides annual targets to progressively reduce the outstanding liabilities, revenue deficit and fiscal deficit of the state government.

Revenue deficit: It is the difference of revenue expenditure and revenue receipts. A revenue deficit implies that the government needs to borrow to finance those expenses which do not increase its assets or reduces its liabilities. The budget estimates a revenue deficit of Rs 22,317 crore (or 1.5% of the GSDP) in 2023-24.

Fiscal deficit: It is the excess of total expenditure over total receipts. This gap is filled by borrowings by the government and leads to an increase in total liabilities. In 2023-24, the fiscal deficit is estimated to be 3.8% of GSDP. For 2023-24, the central government has permitted fiscal deficit of up to 3.5% of GSDP to states, of which 0.5% of GSDP will be available only upon carrying out certain power sector reforms. As per the revised estimates in 2022-23, the fiscal deficit of the state is expected to be 3.6% of GSDP.

Outstanding debt: Outstanding debt is the accumulation of total borrowings at the end of a financial year, it also includes any liabilities on public account. At the end of 2023-24, the outstanding liabilities is estimated to be 33.3% of GSDP, higher than the revised estimate for 2022-23 (32.4% of GSDP). The outstanding liabilities have risen as compared to 2019-20 level (31% of GSDP).

Off budget borrowings

Off budget borrowings refer to financial resources which are not reflected in a state’s budget, and remain outside legislative control. These are typically resources raised by PSUs, and the principal/interest is repaid by the state government. The Comptroller and Auditor General (2022) noted that as of March 2021, Andhra Pradesh has off-budget borrowings amounting to Rs 86,260 crore.

The outstanding liability of the state without accounting for off budget borrowings was Rs 3.5 lakh crore. It which would increase to Rs 4.3 lakh crore if such borrowings are included. This would constitute to 44% of the GSDP, as compared to the 35.5% reported by the state (See Figure 4).

Outstanding Government Guarantees: Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of March 31, 2022, the state’s outstanding guarantee is estimated to be Rs 1,38,875 crore, of which Rs 38,473 are for the power sector. The state’s total outstanding guarantees are 12% of Andhra Pradesh’s GSDP in 2021-22.

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Annexure 1: Comparison of states’ expenditure on key sectors

The graphs below compare Andhra Pradesh’s expenditure in 2023-24 on six key sectors as a proportion of its total expenditure on all sectors. The average for a sector indicates the average expenditure in that sector by 31 states (including Andhra Pradesh) as per their budget estimates of 2022-23.¹

- **Education:** Andhra Pradesh has allocated 12.6% of its expenditure on education in 2023-24. This is lower than the average allocation for education by states in 2022-23 (14.8%).

- **Roads and bridges:** Andhra Pradesh has allocated 1.8% of its total expenditure towards roads and bridges, which is lower than the average allocation for roads and bridges by states (4.5%).

- **Urban Development:** Andhra Pradesh has allocated 3.5% of its expenditure on urban development. This is the same as the average allocation for urban development by states (3.5%).

- **Welfare of SC, ST and OBC:** Andhra Pradesh has allocated 19.8% of its expenditure towards welfare of SCs, STs, and OBCs. This is significantly higher than the average allocation by states (3.5%).

- **Energy:** Andhra Pradesh has allocated 2.1% of its total expenditure towards energy, which is lower than the average expenditure on energy by states (4.8%).

- **Police:** Andhra Pradesh has allocated 2.9% of its total expenditure towards police, which is lower than the average allocation by states (4.3%).

¹ The 31 states include the Union Territories of Delhi, Jammu and Kashmir, and Puducherry.

Note: 2021-22, 2022-23 (BE), 2022-23 (RE), and 2023-24 (BE) figures are for Andhra Pradesh. Sources: Annual Financial Statement, Andhra Pradesh Budget 2023-24; various state budgets; PRS.
Annexure 2: Comparison of 2021-22 Budget Estimates and Actuals

The following tables compare the actuals of 2021-22 with budget estimates for that year.

Table 7: Overview of Receipts and Expenditure (in Rs crore)

<table>
<thead>
<tr>
<th>Particular</th>
<th>2021-22 BE</th>
<th>2021-22 Actuals</th>
<th>% change from BE to Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Receipts (1+2)</td>
<td>1,77,247</td>
<td>1,52,663</td>
<td>-14%</td>
</tr>
<tr>
<td>1. Revenue Receipts (a+b+c+d)</td>
<td>1,77,196</td>
<td>1,50,552</td>
<td>-15%</td>
</tr>
<tr>
<td>a. Own Tax Revenue</td>
<td>85,281</td>
<td>71,018</td>
<td>-17%</td>
</tr>
<tr>
<td>b. Own Non-Tax Revenue</td>
<td>7,050</td>
<td>5,018</td>
<td>-29%</td>
</tr>
<tr>
<td>c. Share in central taxes</td>
<td>26,935</td>
<td>35,347</td>
<td>31%</td>
</tr>
<tr>
<td>d. Grants-in-aid from the Centre</td>
<td>57930.6218</td>
<td>39,170</td>
<td>-32%</td>
</tr>
<tr>
<td>Of which GST compensation grants</td>
<td>-</td>
<td>3,117</td>
<td></td>
</tr>
<tr>
<td>2. Non-Debt Capital Receipts</td>
<td>50</td>
<td>2,110</td>
<td>4107%</td>
</tr>
<tr>
<td>3. Borrowings</td>
<td>50,525</td>
<td>53,284</td>
<td>5%</td>
</tr>
<tr>
<td>Of which GST compensation loan</td>
<td>0</td>
<td>3,272</td>
<td></td>
</tr>
<tr>
<td>Net Expenditure (4+5+6)</td>
<td>2,14,276</td>
<td>1,77,674</td>
<td>-17%</td>
</tr>
<tr>
<td>4. Revenue Expenditure</td>
<td>1,82,197</td>
<td>1,59,163</td>
<td>-13%</td>
</tr>
<tr>
<td>5. Capital Outlay</td>
<td>31,198</td>
<td>16,373</td>
<td>-48%</td>
</tr>
<tr>
<td>6. Loans and Advances</td>
<td>882</td>
<td>2,138</td>
<td>143%</td>
</tr>
<tr>
<td>7. Debt Repayment</td>
<td>15,503</td>
<td>13,920</td>
<td>-10%</td>
</tr>
<tr>
<td>Revenue Deficit</td>
<td>5,000</td>
<td>8,611</td>
<td>72%</td>
</tr>
<tr>
<td>Revenue Deficit (as % of GSDP)</td>
<td>0.5%</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td>Fiscal Deficit</td>
<td>37,030</td>
<td>25,011</td>
<td>-32%</td>
</tr>
<tr>
<td>Fiscal Deficit (as % of GSDP)</td>
<td>3.5%</td>
<td>2.1%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Andhra Pradesh Budget Documents of various years; PRS.

Table 8: Key Components of State's Own Tax Revenue

<table>
<thead>
<tr>
<th>Tax Head</th>
<th>2021-22 BE</th>
<th>2021-22 Actuals</th>
<th>% change from BE to Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes and Duties on Electricity</td>
<td>1,008</td>
<td>12</td>
<td>-99%</td>
</tr>
<tr>
<td>Land Revenue</td>
<td>172</td>
<td>50</td>
<td>-71%</td>
</tr>
<tr>
<td>Taxes on Vehicles</td>
<td>5,000</td>
<td>3,433</td>
<td>-31%</td>
</tr>
<tr>
<td>State GST</td>
<td>31,000</td>
<td>23,809</td>
<td>-23%</td>
</tr>
<tr>
<td>Sales Tax/ VAT</td>
<td>24,500</td>
<td>20,808</td>
<td>-15%</td>
</tr>
<tr>
<td>Stamps Duty and Registration Fees</td>
<td>8,000</td>
<td>7,635</td>
<td>-5%</td>
</tr>
<tr>
<td>State Excise</td>
<td>15,000</td>
<td>14,703</td>
<td>-2%</td>
</tr>
</tbody>
</table>

Source: Andhra Pradesh Budget Documents of various years; PRS.

Table 9: Allocation towards Key Sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>2021-22 BE</th>
<th>2021-22 Actuals</th>
<th>% change from BE to Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>6,091</td>
<td>10,852</td>
<td>78%</td>
</tr>
<tr>
<td>Transport</td>
<td>7,458</td>
<td>4,663</td>
<td>-37%</td>
</tr>
<tr>
<td>of which Roads and Bridges</td>
<td>3,660</td>
<td>1,645</td>
<td>-55%</td>
</tr>
<tr>
<td>Housing</td>
<td>4,783</td>
<td>2,179</td>
<td>-54%</td>
</tr>
<tr>
<td>Water Supply and Sanitation</td>
<td>2,881</td>
<td>1,566</td>
<td>-46%</td>
</tr>
<tr>
<td>Irrigation and Flood Control</td>
<td>12,691</td>
<td>7,027</td>
<td>-45%</td>
</tr>
<tr>
<td>Urban Development</td>
<td>8,330</td>
<td>4,821</td>
<td>-42%</td>
</tr>
<tr>
<td>Agriculture and Allied Activities</td>
<td>13,299</td>
<td>8,033</td>
<td>-40%</td>
</tr>
<tr>
<td>Social Welfare and Nutrition</td>
<td>11,384</td>
<td>6,979</td>
<td>-39%</td>
</tr>
<tr>
<td>Rural Development</td>
<td>14,943</td>
<td>9,917</td>
<td>-34%</td>
</tr>
<tr>
<td>Health and Family Welfare</td>
<td>14,088</td>
<td>11,271</td>
<td>-20%</td>
</tr>
<tr>
<td>Welfare of SC, ST, OBC, and Minorities</td>
<td>27,870</td>
<td>22,325</td>
<td>-20%</td>
</tr>
<tr>
<td>Police</td>
<td>6,398</td>
<td>5,940</td>
<td>-7%</td>
</tr>
<tr>
<td>Education, Sports, Arts, and Culture</td>
<td>27,212</td>
<td>25,796</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Source: Andhra Pradesh Budget Documents of various years; PRS.